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MEMORATION FOR: Assistant Chief of Staff, Intelligence,

Department of the Army

ATTRETION: Combat Intelligence/Development Division,

Research and Development Branch

SUBJECT: Estimated Costs of Selected Soviet Units

Places find attached the information requested by IC.

T Mathewa of Research Analysis Corporation in conmention with his project. This request stemmed from

D \*\*\*Constitution with Mr Bay , Should

you or Dr \*\*s have any further questions places feel
free to contact Mr \*\* C our staff

Assistant Director

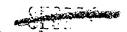
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Estimated Costs of Selected

Soviet Burkes-to-Surface

Hissile and Rocket Units

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## Estimated Costs of Selected Soviet Surface-to-Surface Nissile and Rocket Units

## 1. Missile Units

Estimates of initial investment and samual operating costs for Soviet SS-1, SS-2, and SS-1, and SS-4 missile units are presented in this section. Given the uncertainty surrounding the characteristics and the tables of organization and equipment and costs of these Soviet sizable units, these estimates should be considered little more than general approximations of the Soviet section.

The two entegories represented, initial investment costs and somenly operating easts, differ in important respects from the entegories as generally used in weapons systems analysis. The missile costs ambide the cost of warheads and include only the number of missiles required for the basic load of the given unit. There is no allowance sitter for missiles used up in initial or enough training or for missiles ensigned to stockpiles. For the 65-1, and 65-2 the basic unit is a battalion; for the 65-1 and 65-2 the basic unit is a battalion; for the 65-1 and 65-2 the basic unit is a battalion; for the 65-1 and 65-2 the basic unit is a battalion; for the 65-1 and 65-4 costs are estimated per launcher. For all missile units on attempt has been made to account for costs scouring to the basic units on a result of central support activities in those echolous invediately behind the basic units on will an army-side ecanonic and apport functions.

The estimates of the costs of the various missile systems follow:

	86-1 Bn	88-2 Bn	8S-3 Launcher	63-4 Launcher
Manpower - basic unit plus central support				
area	250	500	250	250
Launcher per unit	6	2	1	1
Missiles per unit	84	6	3	<b>'3</b>
Initial Investment (Million 1955 Rubles)				
Missiles a/	24C	6C	3C	<b>30</b>
Other	25.4	20.6	16.0	16.0
Annual Operating Costs (Million 1955 Enhles)	7.8	10.0	5.8	°

a. C represents the unit cost of missiles (exclusive of varhead) at a given level of cumulative production (X) in one plant. The general formula for calculating C is  $C = K (1-\alpha) / X^{\alpha}$  where K = unit cost of first missile, K = cumulative production of missiles produced in a given plant, and n = slope of the cumulative average unit cost curve. For the missiles in question the unit costs in thousands of 1955 rubles are

## 2. FROG Units

At this time, the information required for estimating the costs of FROG-3 and FROG-4 is not available in the appropriate detail. For aggregative purposes the production estimates of these two types of rockets is combined and an average price of 56,000 1955 rubles per rocket is applied.